

# THE CORPORATION JOURNAL

(REGISTERED U. S. PAT. OFFICE)

VOL. XII, No. 14

FEBRUARY, 1937  
COMPLETE NUMBER 243

PAGES 313-336

*Published by*

THE CORPORATION TRUST COMPANY AND AFFILIATED COMPANIES

*The policy of The Corporation Trust Company in all matters relating to the incorporation, qualification, and statutory representation and maintenance of corporations, is to deal with members of the bar, exclusively.*

The laws which imposed the following taxes contain provisions for their expiration in 1937 on the dates indicated below:

March 31

*Iowa*—Retail Sales Tax.

*Ohio*—Retail Sales and Use Taxes (since extended indefinitely by H. B. Nos. 694 and 698, First Special Session of 1935, approved December 31, 1936).

*Wyoming*—Retail Sales Tax.

June 30

*Colorado*—Use Tax.

*West Virginia*—Retail Sales Tax and Surtaxes on Gross Sales Tax.

July 1

*Arkansas*—Sales Tax.

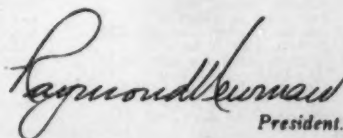
*Oklahoma*—Consumers Tax.

*Wisconsin*—Privilege Dividend Tax.

December 31

*Missouri*—Retail Sales Tax.

Legislatures meeting in 1937 may, of course, enact legislation extending or otherwise affecting these taxes.

  
President.

# A lawyer<sup>unknowingly</sup> writes an "Ad"

*Verbatim excerpts from a letter written by a New York lawyer to his client.*

" . . . We are all ready to file, except that I am still dubious about the statutory agent in Delaware. I am writing to ask your permission to retain The Corporation Trust Company . . . Only one mistake, only one thing going wrong, can cost us more money than we save . . . I prefer The Corporation Trust Company not just because they are a large outfit, but because through association and contacts covering the last eleven years I have learned that they are efficient, capable, accurate, responsible and reliable . . ."

The more experienced the lawyer the more appreciative he is of the painstaking character of The Corporation Trust Company services.

## THE CORPORATION TRUST COMPANY

15 EXCHANGE PLACE, JERSEY CITY

120 BROADWAY, NEW YORK

## C-T CORPORATION SYSTEM

100 W. TENTH ST., WILMINGTON, DEL.

Albany, 158 State St.  
Atlanta, Healey Bldg.  
Baltimore, 10 Light St.  
Boston, Atlantic Nat'l Bk. Bldg.  
Buffalo, Ellicott Sq. Bldg.  
Chicago, 208 S. La Salle St.  
Cincinnati, Carew Tower  
Cleveland, Union Trust Bldg.  
Dallas, Republic Bank Bldg.  
Detroit, Dime Sav. Bank Bldg.

Dover, Del., 30 Dover Green  
Kansas City, 926 Grand Ave.  
Los Angeles, Security Bldg.  
Minneapolis, Security Bldg.  
Philadelphia, Fidelity-Phila. Tr. Bldg.  
Pittsburgh, Oliver Bldg.  
Portland, Me., 443 Congress St.  
San Francisco, Mills Bldg.  
Seattle, Exchange Bldg.  
St. Louis, 415 Pine St.  
Washington, Munsey Bldg.

# THE CORPORATION JOURNAL

VOL. XII, No. 14

FEBRUARY, 1937

PAGES 313-336

The Corporation Journal is published by The Corporation Trust Company monthly, except in July, August, and September. Its purpose is to provide, in systematic and convenient form, brief digests of significant current decisions of the courts, and the more important regulations, rulings or opinions of official bodies, which have a bearing on the organization, maintenance, conduct, regulation, or taxation of business corporations. It will be mailed regularly, postpaid and without charge, to lawyers, accountants, corporation officials, and others interested in corporation matters, upon written request to any of the company's offices (see next page).

When it is desired to preserve The Journal in a permanent file, a special and very convenient form of binder will be furnished at cost (\$1.50).

## Contents for February

	Page
Lawyers and the Constitution .....	317
Digests of Court Decisions, etc.	
Domestic Corporations .....	318
Foreign Corporations .....	322
Taxation .....	326
Appealed to The Supreme Court .....	328
Regulations and Rulings .....	329
<hr/>	
Some Important Matters for February and March ...	330

**THE CORPORATION TRUST COMPANY**

15 EXCHANGE PLACE, JERSEY CITY

120 BROADWAY, NEW YORK

**G. T. CORPORATION SYSTEM**

100 W. TENTH ST., WILMINGTON, DEL.

Albany, 158 State St.  
 Atlanta, Healey Bldg.  
 Baltimore, 10 Light St.  
 Boston, Atlantic Nat'l Bk. Bldg.  
 Buffalo, Ellicott Sq. Bldg.  
 Chicago, 208 S. La Salle St.  
 Cincinnati, Carew Tower  
 Cleveland, Union Trust Bldg.  
 Dallas, Republic Bank Bldg.  
 Detroit, Dime Sav. Bank Bldg.

Dover, Del., 30 Dover Green  
 Kansas City, 926 Grand Ave.  
 Los Angeles, Security Bldg.  
 Minneapolis, Security Bldg.  
 Philadelphia, Fidelity-Phila. Tr. Bldg.  
 Pittsburgh, Oliver Bldg.  
 Portland, Me., 443 Congress St.  
 San Francisco, Mills Bldg.  
 Seattle, Exchange Bldg.  
 St. Louis, 415 Pine St.  
 Washington, Munsey Bldg.

Having offices and representatives in every state and territory of the United States and every province of Canada and a large, trained organization at Washington, this company

Being incorporated under the Banking Law of New York, and its affiliated company incorporated under the Trust Company Law of New Jersey, the combined assets always approximating a million dollars, this company

—furnishes to attorneys complete, up to date official information and data for use in incorporation or qualification in any jurisdiction;

—files for attorneys all papers, holds incorporators' meetings, and performs all other steps necessary for incorporation or qualification in any jurisdiction;

—furnishes, under attorney's direction, the statutory office or agent required for either domestic or foreign corporation in any jurisdiction;

—keeps counsel informed of all state taxes to be paid and reports to be filed by his client corporation in the state of incorporation and any states in which it may qualify as a foreign corporation;

—acts as Transfer or Co-Transfer Agent or Registrar for the securities of corporations;

—acts as Trustee, Custodian of Securities, Escrow Depository or Depository for Reorganization Committee;

—and compiles and issues through:—

**CONFERENCE CREATING DIVISION**

LOOSE LEAF SERVICE DIVISION

**THE CONFERENCE CREATING DIVISION**NEW YORK  
EMPIRE STATE BLDG.CHICAGO  
205 W. MONROE ST.WASHINGTON  
MUNSEY BLDG.

—a complete line of Loose Leaf Services covering new business laws and taxes, both Federal and State.

**Other Offices in All Principal Cities:**

Albany, Atlanta, Baltimore, Boston, Buffalo, Cincinnati, Cleveland, Columbus (O.), Dallas, Denver, Detroit, Harrisburg, Hartford, Honolulu, T. H., Houston, Kansas City, Los Angeles, Louisville, Milwaukee, Minneapolis, Newark (N. J.), New Orleans, Philadelphia, Pittsburgh, Richmond, St. Louis, San Francisco, Seattle

## Lawyers and the Constitution

EDWARD ROESKEN

In this year, which is to mark the passing of one hundred and fifty years since the Constitution of the United States was framed, it may be of interest to recall that twenty-four of the thirty-nine delegates who signed that document were lawyers—almost two-thirds of the delegates. These were:

*Connecticut*—William Samuel Johnson.

*Delaware*—Richard Basset, Gunning Bedford, Jr., Jacob Broom, John Dickinson and George Read.

*Georgia*—Abraham Baldwin and William Few.

*Massachusetts*—Nathan Gorham and Rufus King.

*New Hampshire*—John Langdon.

*New Jersey*—David Brearley, William Livingston and William Patterson.

*New York*—Alexander Hamilton.

*North Carolina*—Richard Dobbs Spaight.

*Pennsylvania*—Jared Ingersoll, Gouverneur Morris and James Wilson.

*South Carolina*—Charles Pinckney, C. C. Pinckney and John Rutledge.

*Virginia*—John Blair and James Madison, Jr.

It is not strange that men of the legal profession were in a majority in the Constitutional Convention of 1787, for it was a charter of fundamental law which the convention was to draft, and the States, when appointing their delegates, naturally turned to those who were learned in the law.

These lawyer-delegates, considered as a group, were compara-

tively young men. Eleven of the twenty-four were under forty years of age and only five had attained fifty years or more. James Madison, Jr., of Virginia, a member of this profession, later fourth President of the United States, was so active a figure in the convention that he achieved the name of "The Father of the Constitution." Madison was then but thirty-six. Gouverneur Morris of Pennsylvania was thirty-five. David Brearley, Chief Justice of New Jersey, was forty-two. Alexander Hamilton of New York was only thirty.

Not only did lawyers predominate in the deliberations upon the form of the Constitution, but men of that calling have, of course, been the chief instruments in its interpretation in the years since—not only as pleaders in the courts for a particular construction of its phrases, but also as members of State and Federal Courts and as Justices of the Supreme Court of the United States. Attorneys have also gravitated in large numbers to Congress and the State Legislatures, to assist there in the framing of laws enacted under the Federal and State Constitutions. In these various capacities, their background of legal learning has enabled lawyers to make contributions to our constitutional history and system of laws which perhaps no other profession could have made.

## Domestic Corporations

### British Columbia.

Stockholder permitted to institute derivative action, although proceeding by another stockholder, individually and not on behalf of company, for the same cause of action, had been dismissed. Certain stockholders of a British Columbia corporation had instituted suit against officers and other stockholders of the company to recover corporate assets alleged to have been wrongfully acquired by those officers and stockholders. In that action the company had not been joined as a party and the suit had been dismissed, primarily for that reason. Appellant, as a minority shareholder not a party to the former action, seeks an order to compel the liquidator of the company to take action against the defendants in the former action or, failing in this, to obtain leave to bring an action in the company's name for the same relief. The Judicial Committee of the Privy Council, London, reverses, on appeal, the judgment of the British Columbia Court of Appeal refusing leave to the liquidator to proceed for recovery of the corporate assets, and gives leave to appellant to institute the proposed action in the company's name. *Lloyd-Owen v. Bull*, (1936) 4 D. L. R. 273. C. Radcliffe, K. C., and F. Gahan, for appellant. J. W. de B. Ferris, K. C., and W. Barton, for respondents.

### California.

Right of corporation, by amendment, to effect changes in its capital structure varying plaintiff's stock ownership and voting rights, upheld. Plaintiff was a stockholder in defendant corporation, the charter of which, prior to amendment, had provided for common stock only. The amendment called for the issuance of a lesser number of shares of common stock of the same par value as that previously in force (\$100) and also for the creation and issuance of preferred stock of the par value of \$25. The old shares of common stock were to be exchanged for a lesser number of shares of the new common stock. The preferred stock was entitled to receive annual 6% cumulative dividends and could be retired after one year from the date of its issue upon payment to its owners of its par value and all accrued and unpaid dividends. Each share of each class of stock was given one vote, and the potential control as to voting power would pass from the common to the preferred stockholders. Plaintiff refused to exchange its stock and brought this action to compel the issuance to it of new common shares equivalent in amount to the number of old shares held, rather than on the basis of a smaller number, as contemplated by the amendment.

Plaintiff contended that there was a taking away of a portion of its stock without its consent and without compensation, that its right to vote its stock might not be abridged, that the proceedings changing the stock structure were void as there was no offer made to the stockholders for the purchase of the preferred stock prior to



the sale to others, and further, that plaintiff could not be compelled to exchange its shares. With reference to the exchange for a reduced number of shares and the change in voting rights, plaintiff contended it was deprived of valuable property rights without compensation. The court, the District Court of Appeal, Fourth District, California, pointed out the reservation in the state constitution of the right to alter or amend the state laws governing corporations, and reviewed a number of decisions in which such a reserved power was before the courts and said: "It seems clear that under the power of control over corporations reserved to the state in the Constitution, the Legislature has power to authorize the exact changes that were made in the stock structure of the defendant." After a reference to sections 294, 348, 348a, 362, 362a and 362b of the Civil Code, as amended, the court continued: "It is clear from the foregoing sections that a corporation may change its corporate stock structure, may increase or decrease its capital stock and may deny to a class of stock any voting privileges. As we have concluded that these sections are valid enactments under the reserved power of the Constitution it follows that the defendant corporation was fully authorized to change its corporate structure, decrease the amount of its common stock and issue preferred stock having the potential control of the voting power of the corporation." It also held that under section 326b, "the corporation can enforce a compulsory exchange of the certificates and the argument that the exchange of the old common stock of plaintiff for the new stock must be voluntary, must fail."

On the question of the necessity of offering the preferred stock to the stockholders before selling it to others, the court quoted section 297 of the Civil Code as follows: "Unless otherwise provided in the articles, the board of directors may issue shares, option rights, or securities having conversion or option rights, without first offering the same to shareholders of any class or classes," and remarked: "No provision in the articles of incorporation of defendant has been called to our attention which requires its directors to offer to the stockholders any shares of stock before selling any of them to non-stockholders. It follows that it was not necessary to incorporate in the resolutions passed by either the directors or stockholders changing the stock structure, any provision requiring that the preferred stock be offered to the stockholders before selling it to others. It therefore appears that the Legislature has authorized and legalized the exact changes made by the defendant corporation in altering its stock structure. As the lawmakers of the state had the authority so to do under the reserve power in the Constitution, plaintiff has no valid grounds of complaint." *Heller Investment Company v. Southern Tile & Trust Company et al.*, 61 P. (2d) 807. Stearns, Luce, Forward & Swing of San Diego, for appellant. Wright, Monroe, Thomas & Glenn of San Diego, for respondents. (Appeal denied by the Supreme Court of California, December 21, 1936.)

Secretary of State upheld in his refusal to accept incorporation papers because of similarity of proposed name to that of an existing domestic corporation. The petitioner sought to compel, by writ of

mandate, the filing by the Secretary of State of articles of incorporation of "Transamerica Corporation," which that official had refused to do on the ground that the name was not available for such corporate use. Two corporations intervened on behalf of the respondent Secretary of State, one of them being a California corporation with the name "Transamerica Service Corporation." The Supreme Court of California upholds the Secretary of State in his action, which was taken under section 291 of the Civil Code, because of the similarity in the names. "The section," said the court, "vests in him a certain discretionary power which he may be compelled to exercise, but which, in the absence of an abuse of discretion, we should not compel him to exercise in any particular manner. In other words, where it appears that there is a reasonable basis for the action of a public officer possessing discretionary power, we cannot substitute our judgment for his." *Cranford v. Jordan, Secretary of State (Transamerica Service Corporation et al., Interveners)*, 61 P. (2d) 45. Sterling Carr of San Francisco, for petitioner. U. S. Webb, Attorney General, and Robert W. Harrison, Chief Deputy Atty. General, for respondent. Louis Ferrari of San Francisco, and Edmund Nelson, O'Melveny, Tuller & Myers, Louis W. Myers, Jackson W. Chance, Ray H. Lindman and John B. Hurlbut, all of Los Angeles, for interveners.

### New Jersey.

Contract between corporations having directors in common, ratified by stockholders in accordance with by-law provisions, held valid. This was an equity action brought by complainant stockholders on behalf of their corporation against directors of the corporation and several corporations involved in a transaction in 1928 in which there were interchanges made of the stocks of the complainants' company and the other corporations. Some of the directors of complainants' company were also directors of the other corporations. Fraud, conspiracy, incompetence and neglect of duty are alleged on the part of the defendants.

A by-law of complainants' company was to the effect that "no contract or other transaction between this company and any other corporation shall be affected by the fact that Directors of this company are interested in, or are Directors of, such other corporation." The by-law also provided that the Board of Directors might, in its discretion, submit any contract to the stockholders for approval or ratification. The contract in dispute had been ratified by the stockholders of complainants' corporation in accordance with the by-laws. The Court of Chancery observed: "The power of stockholders to specifically authorize such contracts or to ratify them after they have been made, unless such contracts are ultra vires, fraudulent, or oppressive, is not open to question." "The 1928 transaction, therefore, was prima facie valid and could not be successfully attacked without proof that it was of such a character as that the stockholders could not authorize it in advance or ratify it, or that it was ultra vires,



fraudulent or oppressive." The court fails to find such conditions exist in this case.

With regard to the charge of negligence, the court said: "The negligence asserted on the part of the directors without here reviewing the evidence upon which the assertion is predicated, seems to be, that the directors imprudently purchased the stock and imprudently failed to sell it before the depression in the market in 1929. In the argument the subject is treated as if the directors were acting as fiduciaries of a trust estate. Not so. Here, the capital of the corporation was to be employed in business pursuits and the apparent purpose of the corporation was to invest its capital in stocks and properties with a view to accretion in value and a reasonable return on the investment. If the judgment of the board of directors was honestly and prudently exercised in purchasing and holding the stock, the court may not substitute its judgment for that of the board of directors." As the evidence failed to substantiate the charges made, the bill of complaint was dismissed. *Helfman et al. v. American Light & Traction Co. et al.*, 187 A. 540. Thomas G. Haight of Jersey City, and Waldron M. Ward of Newark, for complainants. Robert H. McCarter of Newark, for defendant American Light & Traction Co. Merritt Lane of Newark, and Park Chamberlain of Chicago, Ill., for defendants United Light & Power Co. and United Light & Rys. Co. Josiah Stryker of Newark and Thomas J. Michie, Jr., of Pittsburgh, Pa., for Koppers Co. of Delaware and Koppers Gas & Coke Co. John Milton of Jersey City, for individual defendants.

#### New York.

A corporation, prosecuting a suit in its own behalf, is not required to be represented in court by a licensed attorney. Plaintiff, a domestic corporation, was not represented in this action by an attorney at law, the summons and complaint being subscribed in its corporate name and indicating that it appeared in person. One of the defendants moved to dismiss the complaint on the ground that a corporation cannot prosecute or defend an action in person, but must appear by an attorney duly licensed to practice. The Supreme Court, Special Term, Kings County, after observing that "the question seems not to have been passed upon in this state," referred to Section 280 of the Penal Law, in which it is made unlawful for a corporation to practice law or appear as an attorney at law when acting for a person other than itself. It then said: "Defendant has failed to note the distinction between a corporate act performed by a person employed to act as its agent and attorney and a like act done by the corporation through its own administrative officers. A corporation is a legal entity, often spoken of as an artificial person and by the same fiction like a natural body having power to act and reason. A corporation may employ an agent or attorney to act on its behalf in the same manner as a natural person, but the act of the corporate officer in employing an agent is the act of the corporation. The officers of a corporation are the vehicle and conduit

by and through which it is given being and from which the power to act and reason springs. A wide difference exists between acting for oneself by an inherent faculty and the employment of another person to act for and in one's stead. When a corporation does not go outside its own corporate machinery in the performance of a corporate act, it is acting in person and upon an equal footing with a natural person, including the right to sue in person." The motion was denied. *Sellent-Repent Corporation v. Queens Borough Gas & Electric Co. et al.*, 290 N. Y. S. 887. J. Donald Whelehan of New York City (Samuel C. Whitman of Brooklyn, of counsel), for defendant Anola De Witt Johnston.

## Foreign Corporations

### Arkansas.

Purchase of note and mortgage on Arkansas property does not constitute doing business in Arkansas; nor would presence of foreign corporation in state to collect a debt be doing business there. Because appellee, a foreign corporation, had bought a note and mortgage from another corporation, the mortgage being on property in Arkansas, appellant, the mortgagor, contended that, as the foreign corporation was not authorized to do business in Arkansas, it could not maintain its foreclosure action. The Supreme Court of Arkansas, however, refused to sustain this contention, holding that appellee's activities did not amount to the doing of business. The court also indicated that the fact that the foreign corporation came into the state to collect its debt is not sufficient to constitute the doing of business in the state, quoting in this connection the words of the Supreme Court of the United States in *Furst v. Brewster*, 282 U. S. 493, 51 S. Ct. 295, as follows: "When a corporation goes into a state other than that of its own origin to collect, according to the usual or prevailing methods, the amount which has become due in transactions in interstate commerce, the state cannot, consistently with the limitation arising from the commerce clause [Const. U. S. art. 1, § 8, cl. 3], obstruct the attainment of that purpose." *Moran v. Union Savings Bank & Trust Co.*, 97 S. W. (2d) 638. Madison K. Moran of Cabot, for appellant. W. R. Roddy of Little Rock, for appellee.

### Kentucky.

An unqualified corporation may maintain an action in the state courts arising out of contract or tort. In a forcible detainer proceeding brought by an unqualified foreign corporation, the lessee defendant alleged the non-qualification of the plaintiff lessor as a bar to the maintenance of the action. That it was not available as a defense is the holding of the Kentucky Court of Appeals, which remarked: "We have searched in vain for any provision in the chapter (Ch. 171, Session Acts of 1893) or any statutory enactment elsewhere, denying either in express or necessarily implied terms, the right of

a foreign corporation to maintain an action within this commonwealth, ex contractu or ex delicto, because it failed to comply with the provisions of the section of the statute relied on (Sec. 570, Ky. Statutes)." *Sayers & Muir Service Station v. Indian Refining Company*, Kentucky Court of Appeals, November 27, 1936. Commerce Clearing House Court Decisions Reporting Service Requisition No. 167241. Justice & Fitzpatrick of Louisville, for appellant. Booth & Connor of Louisville, for appellee.

#### New York.

Right of examination under Section 170, General Corporation Law, concerning property of corporation, is not available to a receiver who has been appointed in another state. A receiver, appointed by a Baltimore City Court, had obtained an order under Section 170 of the General Corporation Law of New York directing appellants, among others, to submit to examination before a referee concerning the assets of the corporation in receivership. The New York Supreme Court, Appellate Division, First Department, grants a motion of appellants to vacate the order, on the ground that "a Receiver of a corporation or of its property not appointed as such by the Supreme Court of this State cannot invoke Section 170 of the General Corporation Law to procure an examination concerning the property of such corporation. Such an examination is by that section expressly limited to Receivers not only appointed by a New York Court, whether primary or ancillary, but appointed pursuant to Chapter 28 of the General Corporation Law." *In the Matter of the Application of Herbert Myerberg and Harry A. Pechenik, Receivers of the Union Cigar Company*, New York Supreme Court, Appellate Division, First Department, November 27, 1936. Jerome Eisner, attorney pro se (Henry I. Fillman, of counsel), of New York City, for appellant Jerome Eisner. Mudge, Stern, Williams & Tucker (S. S. Jennings, Jr., of counsel), of New York City, for appellant The Chase National Bank of the City of New York. Commerce Clearing House Court Decisions Reporting Service Requisition No. 167390.

#### Washington.

Unqualified foreign trust company held empowered to hold and convey good title to real estate. Appellants contended that a Delaware trust company, trustee under a will of certain real property situated in Washington, was unable to deliver a marketable title by reason of non-compliance with the Washington statutes relating to foreign corporations. The Supreme Court of Washington rules otherwise, indicating that the title of such a corporation can be defeated only by an action brought by the state for that purpose, and that prior to such state action the corporation can convey good title. "There is no provision," said the court, "in any statute of this state, that the contract entered into by a foreign corporation, not

**THE COMPANION TRUST COMPANY**  
100 BROADWAY  
NEW YORK

120 BROADWAY  
NEW YORK

SEATTLE

120 NEW YORK  
NEW YORK  
STATE  
REPORT AND TAX NOTIFICATION SERVICE  
THE CO

REFERENCE ARE TO  
THE CORPORATION TAX SERVICE  
1936.

April 8, 1938.

RE: TRUS--FRANCHISE TAX  
Domestic and

On or before May 1, 1964, that portion of the

Tax Due:      On      Secretary      is based upon  
Paid:      Secretary      plus and

[illegible]

Rate of Tax: The rate of tax on the net income of the corporation shall be as follows:

Net Income	Rate of Tax
Not over \$1,000.00	1.5%
Over \$1,000.00 and not over \$5,000.00	2.5%
Over \$5,000.00 and not over \$10,000.00	3.5%
Over \$10,000.00 and not over \$25,000.00	4.5%
Over \$25,000.00 and not over \$50,000.00	5.5%
Over \$50,000.00 and not over \$100,000.00	6.5%
Over \$100,000.00 and not over \$250,000.00	7.5%
Over \$250,000.00 and not over \$500,000.00	8.5%
Over \$500,000.00 and not over \$1,000,000.00	9.5%
Over \$1,000,000.00 and not over \$2,500,000.00	10.5%
Over \$2,500,000.00 and not over \$5,000,000.00	11.5%
Over \$5,000,000.00 and not over \$10,000,000.00	12.5%
Over \$10,000,000.00 and not over \$25,000,000.00	13.5%
Over \$25,000,000.00 and not over \$50,000,000.00	14.5%
Over \$50,000,000.00 and not over \$100,000,000.00	15.5%
Over \$100,000,000.00 and not over \$250,000,000.00	16.5%
Over \$250,000,000.00 and not over \$500,000,000.00	17.5%
Over \$500,000,000.00 and not over \$1,000,000,000.00	18.5%
Over \$1,000,000,000.00 and not over \$2,500,000,000.00	19.5%
Over \$2,500,000,000.00 and not over \$5,000,000,000.00	20.5%
Over \$5,000,000,000.00 and not over \$10,000,000,000.00	21.5%
Over \$10,000,000,000.00 and not over \$25,000,000,000.00	22.5%
Over \$25,000,000,000.00 and not over \$50,000,000,000.00	23.5%
Over \$50,000,000,000.00 and not over \$100,000,000,000.00	24.5%
Over \$100,000,000,000.00 and not over \$250,000,000,000.00	25.5%
Over \$250,000,000,000.00 and not over \$500,000,000,000.00	26.5%
Over \$500,000,000,000.00 and not over \$1,000,000,000,000.00	27.5%
Over \$1,000,000,000,000.00 and not over \$2,500,000,000,000.00	28.5%
Over \$2,500,000,000,000.00 and not over \$5,000,000,000,000.00	29.5%
Over \$5,000,000,000,000.00 and not over \$10,000,000,000,000.00	30.5%
Over \$10,000,000,000,000.00 and not over \$25,000,000,000,000.00	31.5%
Over \$25,000,000,000,000.00 and not over \$50,000,000,000,000.00	32.5%
Over \$50,000,000,000,000.00 and not over \$100,000,000,000,000.00	33.5%
Over \$100,000,000,000,000.00 and not over \$250,000,000,000,000.00	34.5%
Over \$250,000,000,000,000.00 and not over \$500,000,000,000,000.00	35.5%
Over \$500,000,000,000,000.00 and not over \$1,000,000,000,000,000.00	36.5%
Over \$1,000,000,000,000,000.00 and not over \$2,500,000,000,000,000.00	37.5%
Over \$2,500,000,000,000,000.00 and not over \$5,000,000,000,000,000.00	38.5%
Over \$5,000,000,000,000,000.00 and not over \$10,000,000,000,000,000.00	39.5%
Over \$10,000,000,000,000,000.00 and not over \$25,000,000,000,000,000.00	40.5%
Over \$25,000,000,000,000,000.00 and not over \$50,000,000,000,000,000.00	41.5%
Over \$50,000,000,000,000,000.00 and not over \$100,000,000,000,000,000.00	42.5%
Over \$100,000,000,000,000,000.00 and not over \$250,000,000,000,000,000.00	43.5%
Over \$250,000,000,000,000,000.00 and not over \$500,000,000,000,000,000.00	44.5%
Over \$500,000,000,000,000,000.00 and not over \$1,000,000,000,000,000,000.00	45.5%
Over \$1,000,000,000,000,000,000.00 and not over \$2,500,000,000,000,000,000.00	46.5%
Over \$2,500,000,000,000,000,000.00 and not over \$5,000,000,000,000,000,000.00	47.5%
Over \$5,000,000,000,000,000,000.00 and not over \$10,000,000,000,000,000,000.00	48.5%
Over \$10,000,000,000,000,000,000.00 and not over \$25,000,000,000,000,000,000.00	49.5%
Over \$25,000,000,000,000,000,000.00 and not over \$50,000,000,000,000,000,000.00	50.5%
Over \$50,000,000,000,000,000,000.00 and not over \$100,000,000,000,000,000,000.00	51.5%
Over \$100,000,000,000,000,000,000.00 and not over \$250,000,000,000,000,000,000.00	52.5%
Over \$250,000,000,000,000,000,000.00 and not over \$500,000,000,000,000,000,000.00	53.5%
Over \$500,000,000,000,000,000,000.00 and not over \$1,000,000,000,000,000,000,000.00	54.5%
Over \$1,000,000,000,000,000,000,000.00 and not over \$2,500,000,000,000,000,000,000.00	55.5%
Over \$2,500,000,000,000,000,000,000.00 and not over \$5,000,000,000,000,000,000,000.00	56.5%
Over \$5,000,000,000,000,000,000,000.00 and not over \$10,000,000,000,000,000,000,000.00	57.5%
Over \$10,000,000,000,000,000,000,000.00 and not over \$25,000,000,000,000,000,000,000.00	58.5%
Over \$25,000,000,000,000,000,000,000.00 and not over \$50,000,000,000,000,000,000,000.00	59.5%
Over \$50,000,000,000,000,000,000,000.00 and not over \$100,000,000,000,000,000,000,000.00	60.5%
Over \$100,000,000,000,000,000,000,000.00 and not over \$250,000,000,000,000,000,000,000.00	61.5%
Over \$250,000,000,000,000,000,000,000.00 and not over \$500,000,000,000,00	

60¢ per \$1.00 " fraction thereof  
\$10. (9831, 41)  
qualified for more than one  
fourth of the tax f

Corporations organized or qualified  
purpose pay the franchise tax plus one-fourth of  
each additional purpose. (446)

issuing no part of the value actually received in exchange therefor. (q33)

See 49571--378.

Penalties: See 90371--378.

Penalties: See 45371-378.

Remarks: Payment of the tax is required to be made by certified check, cashier's check or money order, drawn to the order of the Secretary of State at Austin, Texas. (4530.1).

Arranged  
For Lawyers—  
To Fit Lawyers' Ways

930

COMPANY's representation service for foreign in one or more states is built to fit the. For example: Notification Letters give the taxes to be paid and reports to be filed or. But that is not all: They cite (what is so the *authority*—law, official regulations, court. As part of the representation service and the lawyer is furnished with the Corporation Local for each state in which his client is tions in the Notification Letters are to the

domesticated or not qualified, shall be void. The utmost the Washington statutes do is to provide for penalties on foreign corporations for noncompliance therewith." *Townsend v. Rosenbaum et al.*, 60 P. (2d) 251. Colvin & Rhodes of Seattle, for appellants. Preston, Thorgrimson & Turner of Seattle, for respondents.

#### Wisconsin.

A contract, entered into in Wisconsin by a foreign corporation which is not authorized to do business in the state, is void as to such a corporation and therefore not enforceable by it in the state courts. Plaintiff sued for the conversion of certain property. The defense was set up that it was an unlicensed foreign corporation. Under subdivision (9) of section 226.02, Stats. 1933, contracts of an unlicensed foreign corporation relating to property in Wisconsin "shall be void on its behalf and on behalf of its assigns, but shall be enforceable against it or them." The evidence showed that the plaintiff's title to the property in question was acquired under a contract entered into in Milwaukee, Wisconsin. The Wisconsin Supreme Court held that "the plaintiff's title and right of possession thereto were wholly dependent upon a contract which it had made in this state in relation to property therein, but which under the provisions of (9) of sec. 226.02, Stats., was void and unenforceable by the plaintiff because of its failure, as a foreign corporation, to comply with the provisions of that section. Therefore it did not have the necessary title or right of possession to the property in suit to enable it to maintain this action; and its complaint must be dismissed." *Holleb Liquor Distributors, Inc. v. Lincoln Fireproof Warehouse Co. et al.*,\* Wisconsin Supreme Court, December 8, 1936. Commerce Clearing House Court Decisions Reporting Service Requisition No. 167974.

\* The full text of this opinion is printed in **The Corporation Tax Service**, Wisconsin volume, page 505.

## Taxation

#### Federal.

Where property was delivered and title passed to buyer in Mexico, the profit was earned there and is income derived from sources without the United States; collection of the price in the United States held incidental. Agents in the United States of respondent Mexico corporation contracted for sales of oil by the company for future delivery, payment to be made to the agents after delivery. The title to the oil passed upon delivery to ocean carriers at the company's wharf in Tampico, Mexico. The United States Circuit Court of Appeals, Fifth Circuit, said: "In this case the important question is when and where were the profits earned. The company is a Mexican corporation, necessarily domiciled in that country. The property sold was produced in Mexico. The contracts provided for firm sales.



No profit resulted from the mere execution of the contracts. The oil was delivered to the buyer in Mexico. The title passed to the buyer in Mexico. When the title passed the profit was earned in Mexico. Collection of the price in the United States was incidental and did not earn the profit. We agree with the conclusion of the Board (of Tax Appeals) that the taxes were unlawfully assessed on income derived from sources without the United States." With regard to the inspection and gauging of the oil upon receipt in the United States, the court remarked: "It is an implied condition in all contracts of sale that the buyer shall have the right to inspect and measure the goods before paying for them. If the seller had shipped oil not up to specifications there would have been no delivery at all under the contract and neither would there have been taxable income if the shipment was rejected. We do not consider the provisions for inspection and gauging took the contracts out of the general rule." *Helvering, Commissioner of Internal Revenue v. East Coast Oil Company, S. A.*, \* 85 F. (2d) 322. Writ of certiorari denied by the Supreme Court of the United States, December 14, 1936.

---

\* The full text of this opinion is printed in the *Standard Federal Tax Service—1936*—page 10,206.

Forfeited payments under capital stock subscription agreements represent capital and are not taxable income. Plaintiff corporation brought this action in the Court of Claims to recover an alleged overpayment of income taxes based upon amounts included in its return for the year 1930, representing partial payments upon subscriptions to plaintiff's capital stock which, because of defaults under subscription agreements, has been declared forfeited to it. The question being whether the amount of these forfeited payments constituted taxable income to the plaintiff, the court ruled that it did not, on the ground that the amount paid did not represent profits, but was a part of the capital of the corporation. A recovery was therefore allowed. *Realty Bond & Mortgage Co. v. United States*,\* 16 F. Supp. 771. Samuel H. Horne (Earl B. Breeding, on the brief) of Washington, D. C., for plaintiff. John W. Blalock of Washington, D. C., and Robert H. Jackson, Asst. Atty. General, for the United States.

---

\* The full text of this opinion is printed in the *Standard Federal Tax Service—1936*—page 10,349.

#### Washington.

Foreign corporation held "doing business" so as to be subject to the gross income or occupation tax. Respondent, an Iowa real estate and lumber corporation, qualified in Washington in 1907, resisted payment of the occupation or excise tax imposed by Chapter 191, Laws of 1933, based upon its activities during two months of 1933, limited to the sale of a tract of land in Washington and the sale of timber cut under an outstanding contract. The Supreme Court of Washington said: "The theory of the respondent, upon

which it appears the judgment was entered, was that, because respondent's property was acquired by it prior to the act of 1933, the most of it prior to 1914, and because respondent had done nothing with respect to it for several years, other than caring for it and selling the timber thereon, as it could find purchasers therefor, its operations, as carried on in August and September, 1933, did not constitute a business or occupation within the act. We cannot agree to that contention. Respondent has not in any way changed its articles of incorporation since coming into this state. Purchasing, holding, exchanging, and selling lands and timber are each and all within respondent's purposes and business. In order to come under the act, it was not required that in any given month or other appreciable period of time, respondent should engage in all or even most of the specified purposes of its incorporation. If it engaged in any one or more of them, necessary and usual in its general scheme of business, then it engaged in, and was promoting, that business or occupation. The business or occupation of buying and selling land and timber requires both buying and selling, and the doing of either at a given time is carrying on that business or occupation." *Milwaukee Land Company v. State*,\* 61 P. (2d) 996. G. W. Hamilton and E. P. Donnelly of Olympia, for the State. A. N. Whitlock, O. G. Edwards and A. J. Laughton of Seattle, for respondent.

\* The full text of this opinion is printed in *The Corporation Tax Service*, Washington volume, page 7297.

## Appealed to The Supreme Court

The following cases previously digested in *The Corporation Journal* have been appealed to The Supreme Court of the United States.\*

ALABAMA. Docket No. 570. *Southern Natural Gas Corporation et al. v. The State of Alabama*, 170 So. 178. (*The Corporation Journal*, October, 1936, page 232.) Validity of franchise tax upon qualified foreign corporation engaged in interstate activities, with principal office in Alabama. Appeal filed December 16, 1936. Probable jurisdiction noted January 4, 1937.

FEDERAL. Docket No. 512. *Helvering, Commissioner of Internal Revenue, v. East Coast Oil Company, S. A.*, 85 F. (2d) 322. (*The Corporation Journal*, February, 1937, page 326.) Taxability of income derived from sources without the United States. Appeal filed November 7, 1936. Writ of certiorari denied December 14, 1936.

OHIO. Docket No. 589. *North et al. v. Higbee Company et al.*, 3 N. E. (2d) 391. (*The Corporation Journal*, December, 1936, page 273.) Default in lease by subsidiary—liability of parent company. Appeal filed December 22, 1936.

VIRGINIA. Docket No. 40. *The Atlantic Refining Company v. Commonwealth of Virginia*, 183 S. E. 243. (*The Corporation Journal*, March, 1936, page 136.) Validity of foreign corporation entrance fee. Appeal filed April 24, 1936. Jurisdiction postponed to hearing of case on its merits, May 18, 1936. Argument concluded October 22, 1936.

WASHINGTON. Docket No. 418. *Henneford et al. v. Silas Mason Co., Inc. et al.*, U. S. District Court, Eastern District of Washington, August 3, 1936; 15 F. Supp. 958. (The Corporation Journal, November, 1936, page 258.) Involves validity of State of Washington "Compensating Tax." Appeal filed September 30, 1936; probable jurisdiction noted October 19, 1936. Motion to advance argument submitted by counsel for appellants, October 26, 1936. Motion granted and case advanced for argument on Monday, December 14, 1936. Argument concluded, December 15, 1936.

\* Data compiled from CCH U. S. Supreme Court Service, 1936-1937.

## Regulations and Rulings

ARIZONA—Regulations relative to the Luxuries Excise Tax have been issued by the State Tax Commission of Arizona. (The full text of the regulations is printed in the Arizona Corporation Tax Service, beginning on page 493-75.)

COLORADO—The Retail Sales Tax Rules and Regulations and Questions and Answers have recently been revised. (The full text of these is printed in the Colorado CT Service, beginning on page 5561.)

KENTUCKY—A number of additions have recently been made to the Kentucky Income Tax Regulations. (The full text of the regulations as currently effective is printed in the Kentucky CT Service, beginning at page 1221.)

OHIO—The Tax Commission of Ohio has issued Special Ruling No. 49 to clarify the application of the recent constitutional amendment which exempts the sale of food for human consumption off the premises where sold. (Ruling reported in the Ohio CT Service, page 477-50.)

PENNSYLVANIA—An official list of Exempt Stocks and of the status of Bonds under the State and County Personal Property Tax Acts was issued as a *Supplement* to the Pennsylvania Corporation Tax Service on January 14, 1937. (Copies are available to those who are not subscribers to that Service at a cost of \$1. each.)

SOUTH CAROLINA—That the imposition of any additional franchise tax assessment is barred after six years under Section 388, Code of 1932, is the opinion of the General Counsel for the South Carolina Tax Commission, as reported in the South Carolina CT Service, page 1628.

WEST VIRGINIA—The State Tax Commissioner has set March 15, 1937 as the date on which returns of information are to be filed. In 1936 these returns were required on February 15.

RETURNS OF INFORMATION AT THE SOURCE—In a number of states the due dates of returns of information at the source, not being specified by statute, are fixed annually by the officials or boards with whom they are filed. Such 1937 filing dates have been designated as follows in the following states by officials and boards for the filing of returns of information at the source: *February 15*—California, Indiana, Oklahoma, Oregon, Utah, Vermont; *March 1*—Kansas; *March 15*—Alabama, Idaho, Kentucky, Minnesota, Montana, West Virginia; *March 30*—South Dakota; *May 15*—Louisiana.

## Some Important Matters for February and March

This Calendar does not purport to be a *complete* calendar of all matters requiring attention by corporations in any given state. It is a condensed calendar of the more important requirements covered by the *State Report and Tax Notification Service* of The Corporation Trust Company. Attorneys interested in being furnished with timely and complete information regarding all state requirements in any one or more states, including information regarding forms, practices and rulings, may obtain details of the Service from any office of The Corporation Trust Company.

**ALABAMA**—Annual Franchise Tax Return due between January 1 and March 15.—Domestic and Foreign Corporations.

Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Franchise Tax due April 1, but may be paid without penalty until April 30.—Domestic and Foreign Corporations.

**ALASKA**—Annual Report due within 60 days from January 1.—Foreign Corporations.

**ARIZONA**—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Statement of Mining Companies due between January 1 and April 1.—Domestic and Foreign Corporations engaged in mining of any kind.

**ARKANSAS**—Franchise Tax Report due on or before March 1.—Domestic and Foreign Corporations.

Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**CALIFORNIA**—Return of Information at the source and Return of Tax Withheld at the source due on or before February 15.—Domestic and Foreign Corporations.

Franchise (Income) Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**COLORADO**—Annual Report due on or before March 15.—Domestic and Foreign Corporations.

**CONNECTICUT**—Annual Report due on or before February 15 (if corporation was organized or qualified between January 1 and June 30).—Domestic and Foreign Corporations.

Income Tax Return due on or before April 1.—Domestic and Foreign Corporations.

**DELAWARE**—Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations making certain payments of dividends, interest or other income to citizens or residents of Delaware during 1936.

**DOMINION OF CANADA**—Return of Information at the source due on or before February 28.—Domestic and Foreign Corporations.

**GEORGIA**—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

- IDAHO—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.
- ILLINOIS—Annual Report due between January 15 and February 28.—Domestic and Foreign Corporations.
- INDIANA—Return of Information at the source due on or before February 15.—Domestic and Foreign Corporations.
- IOWA—Income Tax Return and Return of Information at the source due on or before March 31.—Domestic and Foreign Corporations.
- KANSAS—Return of Information at the source due on or before March 1.—Domestic and Foreign Corporations.  
Annual Report and Franchise Tax due on or before March 31.—Domestic and Foreign Corporations.
- KENTUCKY—Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.
- LOUISIANA—Capital Stock Statement due on or before March 1.—Foreign Corporations.
- MAINE—Annual License Fee due on or before March 1.—Foreign Corporations.
- MARYLAND—Annual Report due on or before March 15.—Domestic and Foreign Corporations.
- MASSACHUSETTS—Return of Information at the source due on or before March 1.—Domestic and Foreign Corporations.  
Excise Tax Return due on or before April 10.—Domestic and Foreign Corporations.
- MINNESOTA—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.  
Annual Report due between January 1 and April 1.—Foreign Corporations.
- MISSISSIPPI—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.
- MISSOURI—Return of Information at source due on or before March 1.—Domestic and Foreign Corporations.  
Annual Franchise Tax Report due on or before March 1.—Domestic and Foreign Corporations.  
Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.
- MONTANA—Annual Report of Capital employed due between January 1 and March 1.—Foreign Corporations qualified after February 27, 1915.  
Annual Return of Net Income due on or before March 1.—Domestic and Foreign Corporations.  
Annual Report due on or before March 1.—Domestic and Foreign Corporations.  
Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.
- NEVADA—Annual Statement of business due not later than the month of March.—Foreign Corporations.

**NEW HAMPSHIRE**—Annual Return due on or before April 1.—Domestic and Foreign Corporations.

Franchise Tax due on or before April 1.—Domestic Corporations.

**NEW JERSEY**—Annual Franchise Tax Return due on or before the first Tuesday in February.—Domestic Corporations.

**NEW MEXICO**—Return of Information at the source due on or before April 1.—Domestic and Foreign Corporations.

**NEW YORK**—Returns of Information and withholding at the source due on or before February 15.—Domestic and Foreign Corporations.

Annual Franchise Tax Report of Real Estate and Holding Corporations due between January 1 and March 1.—Domestic and Foreign Real Estate Holding Corporations. Forms 41 C.T. and 42 C.T., Article 9 of the Tax Law.

Annual Franchise Tax of Real Estate and Holding Corporations due on or before April 1.—Domestic and Foreign Real Estate and Holding Corporations.

**NORTH CAROLINA**—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**NORTH DAKOTA**—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**OHIO**—Annual Franchise Tax Report due between January 1 and March 31.—Domestic and Foreign Corporations.

Annual Statement of Proportion of Capital Stock due between January 1 and March 31.—Foreign Corporations.

**OKLAHOMA**—Return of Information at the source due on or before February 15.—Domestic and Foreign Corporations.

Income Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**OREGON**—Return of Information at the source due on or before February 15.—Domestic and Foreign Corporations.

Combined Excise (Income) Tax Return and Intangibles Income Tax Return due on or before March 31.—Domestic and Foreign Corporations.

**PENNSYLVANIA**—Capital Stock Tax and Corporate Loans Report due on or before March 15.—Domestic Corporations.

Franchise Tax and Corporate Loans Report due on or before March 15.—Foreign Corporations.

Bonus Report due on or before March 15.—Foreign Corporations.

**RHODE ISLAND**—Annual Report due during February.—Domestic and Foreign Corporations.

Corporation Tax Return due on or before March 1.—Domestic and Foreign Corporations.

**SOUTH CAROLINA**—Annual License Tax Report due during February.—Domestic and Foreign Corporations.



**SOUTH CAROLINA (Continued)**

Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**SOUTH DAKOTA**—Annual Capital Stock Report due before March 1.—Foreign Corporations.

Income Tax Return and Return of Information at the source due on or before March 30.—Domestic and Foreign Corporations.

**TENNESSEE**—Annual Privilege (Franchise) Tax Return due on or before March 1.—Domestic and Foreign Corporations.

**TEXAS**—Annual Franchise Tax Report due between January 1 and March 15.—Domestic and Foreign Corporations.

**UNITED STATES**—Return of Information at the source due on or before February 15.—Domestic and Foreign Corporations.

Annual Return of Net Income due on or before March 15.—Domestic and Foreign Corporations having an office or place of business in the United States.

**UTAH**—Return of Information at the source due on or before February 15.—Domestic and Foreign Corporations.

Income (Franchise) Tax Return due on or before March 15.—Domestic and Foreign Corporations.

**VERMONT**—Return of Information at the source due on or before February 15.—Domestic and Foreign Corporations.

Annual Report due on or before March 1.—Domestic Corporations.

Annual License Tax Return and Payment due on or before March 1.—Domestic and Foreign Corporations.

Extension of Certificate of Authority due on or before April 1.—Foreign Corporations.

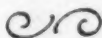
**VIRGINIA**—Annual Registration Fee due on or before March 1.—Domestic and Foreign Corporations.

Annual Franchise Tax due on or before March 1.—Domestic Corporations.

**WEST VIRGINIA**—Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

**WISCONSIN**—Income Tax Return and Return of Information at the source due on or before March 15.—Domestic and Foreign Corporations.

Annual Report due between January 1 and April 1.—Domestic and Foreign Corporations.



## The Corporation Trust Company's Supplementary Literature

*In connection with its various activities The Corporation Trust Company publishes the following supplemental pamphlets and forms, any of which will be sent without charge to readers of The Journal. Address The Corporation Trust Company, 120 Broadway, New York, N. Y.*

- A Corporation's Achilles Heel.** Containing the complete text of the opinion of the Supreme Court of the United States in *State of Washington ex rel. Bond & Goodwin & Tucker, Inc. v. Superior Court, State of Washington*, and of the Supreme Court of New Mexico in *Silva v. Crombie & Co.*—two decisions of great significance to attorneys of corporations qualified in one or more states.
- Delaware Corporations.** Presents in convenient form a digest of the Delaware corporation law, its advantages, for business corporations, the attractive provisions for non par value stock, and a brief summary of the statutory requirements, procedure and costs of incorporation, completely revised to reflect the changes made by the amendments of 1935.
- New Deal Laws of Importance to Corporations.** Contains complete text of Securities Act of 1933 as amended by Title II of the Securities Exchange Act of 1934, all matters in the original act omitted in the 1934 amendments being set in brackets, and all new matters added by the 1934 amendments being set in italics; complete text of the Securities Exchange Act of 1934; and complete text of the amendments approved June 7, 1934 to the Bankruptcy Act providing for corporate reorganizations.
- The New Bankruptcy Law.** Contains, first, the eleven-word amendment approved June 18, 1934 to the original amendment to the Bankruptcy Act approved June 7, 1934 (and published in our pamphlet *New Deal Laws* described above); second, two examples of voluntary petitions for reorganization under the new provisions; and third, two examples of petitions under the new provisions for appointment of trustees (reorganization sought).
- The High Cost of Whistles for Corporations.** Benjamin Franklin's classic, "The Whistle," here is shown, by the decisions in actual court cases, to have a very pointed application to some of the policies of some business corporations of our own day. A sixteen-page pamphlet for both laymen and lawyers.
- Special Report. The Case Against Corporate Representation by Business Employees.** Specific experiences of different corporations with the handling by untrained corporate representatives of such matters as service of process, notices of taxes due, filing of corporation reports, etc.
- What Constitutes Doing Business.** (Revised to April 15, 1934.) A 198-page book containing brief digests of decisions selected from those in the various states, as indicating what is construed in each state as "doing business." The digests are arranged by state, but a Table of Cases and a Topical Index makes them accessible also by either case name or topic. There is also a section containing citations to cases on the question of doing business such as to make the company subject to service of process in the state.
- Amateur Corporate Representation.** A booklet dealing with some of the weaknesses of placing a company's statutory representation in the hands of business employees or others not trained in the matters involved.
- When Corporations Cross the Line.** A simple explanation of the reasons for and purposes of the foreign corporation laws of the various states, and illustrations of when and how a corporation makes itself amenable to them. Of interest both to attorneys and to corporation officials.
- Questionnaire on Business Outside State of Organization.** This is a Form for attorney's use in determining when a corporation should be qualified. The questions are those which will usually bring out the points necessary to be considered.



The biggest "doliar's worth"  
on Income Taxes - - *just published*

## UNITED STATES MASTER TAX GUIDE - 1937

**B**ASED on the new Revenue Act of 1936, and the effective provisions of prior Acts, it tells just how the Federal Revenue Law stands today. Moreover, it is replete with ideas and suggestions that will conserve time and protect against overpayments and mistakes in making out 1936 income tax returns, handling income tax questions under the new Act, etc.

### A Dependable Guide on Today's Revenue Law

The new UNITED STATES MASTER TAX GUIDE for 1937 is up-to-date in every detail. All the new provisions, rates and changes effected by the Revenue Act of 1936 are fully reflected. Among the timely, valuable features included in this dependable guide on Federal tax problems are: Application of the Revenue Act; Tax Rates Tables; Tax Calendar; Undistributed Profits Surtax; New Attitude towards Dividends; Determination of Net Income; Capital Gains and Losses; Sales and Exchanges; Deductions; Returns; Estate and Gift Taxes; Capital Stock and Excess Profits; Stamp, Excise, and Miscellaneous Taxes; Banks, Common Trust Funds, Personal Holding and Mutual Investment Companies; Non-resident Aliens and Foreign Corporations, etc. A Complete Topical Index is an added convenience.

*240 pages, 6x9, well printed on good paper, sewed, and bound in heavy leather-grain paper covers.*

Price, \$1 a copy; 10 copies, \$8; 25 copies, \$15.

### ----- ORDER FORM -----

Commerce Clearing House, Inc.  
205 W. Monroe Street, Chicago.

Send us . . . . . copies of the new 1937 UNITED STATES  
MASTER TAX GUIDE. Price \$1 a copy; 10 copies, \$8; 25 copies, \$15.  
Remittance in full herewith.

Name . . . . .

Attention . . . . .

Address . . . . .

612300

**C**APITAL, after safety and income have been considered, flows naturally towards the investments which offer easiest marketability.

**T**O a corporation seeking new or additional capital, therefore, a Transfer Agent located in New York — in the world's greatest financial market — is a definite asset.

**C**ORPORATION lawyers and officials find The Corporation Trust Company a most convenient Transfer Agent, with its New York, Jersey City and Wilmington offices each fully-equipped to serve as Transfer Agent, Co-Transfer Agent or Registrar.

### **THE CORPORATION TRUST COMPANY**

15 EXCHANGE PLACE, JERSEY CITY

120 BROADWAY, NEW YORK

### **C-T CORPORATION SYSTEM**

100 W. TENTH ST., WILMINGTON, DEL.

Albany, 158 State St.  
Atlanta, Healey Bldg.  
Baltimore, 10 Light St.  
Boston, Atlantic Nat'l Bk. Bldg.  
Buffalo, Ellicott Sq. Bldg.  
Chicago, 208 S. La Salle St.  
Cincinnati, Carew Tower  
Cleveland, Union Trust Bldg.  
Dallas, Republic Bank Bldg.  
Detroit, Dime Sav. Bank Bldg.

Dover, Del., 30 Dover Green  
Kansas City, 926 Grand Ave.  
Los Angeles, Security Bldg.  
Minneapolis, Security Bldg.  
Philadelphia, Fidelity-Phila. Tr. Bldg.  
Pittsburgh, Oliver Bldg.  
Portland, Me., 443 Congress St.  
San Francisco, Mills Bldg.  
Seattle, Exchange Bldg.  
St. Louis, 415 Pine St.  
Washington, Munsey Bldg.

V  
1  
2  
1  
4

R  
B  
B

7  
13

X